

Message Text

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ACTION EA-14

INFO OCT-01 ADP-00 AID-20 EB-11 NSC-10 RSC-01 CIEP-02

TRSE-00 SS-15 STR-08 OMB-01 CEA-02 SCEM-02 AEC-11

SCI-06 ACDA-19 CIAE-00 COME-00 FRB-02 INR-10 NSAE-00

XMB-07 OPIC-12 LAB-06 SIL-01 INT-08 IO-13 DODE-00

PM-07 H-03 L-03 PA-03 PRS-01 USIA-12 CEQ-02 EPA-04

RSR-01 /218 W

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R 181010Z JUL 73

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 5485

C O N F I D E N T I A L TOKYO 9226

E.O. 11652: GDS

TAGS: EGEN OCON JA

SUBJ: SECRETARY DENT, UNDER SECRETARY LAY, AMBASSADOR
EBERLE ECONCOM IX COUNTERPART SESSION WITH MITI
MINISTER NAKASONE

SUMMARY: HIGHLIGHTS COUNTERPART SESSION ECONCOM IX
WITH MITI WERE MITI'S CONTINUED INSISTENCE THAT QUESTION
IMPORTATION NUCLEAR POWER PLANTS NOT SUBJECT TO
GOVERNMENTAL INTERVENTION, INTEREST DISPLAYED BY GOJ
IN JOINT URANIUM ENRICHMENT AND ENERGY R&D PROJECTS.
MITI ACCEPTED US VIEW THAT OIL COMPANIES SHOULD NOT PARTICIPATE
IN ANY US-JAPAN GOVERNMENTAL DISCUSSIONS THAT MAY TAKE PLACE ON
ENERGY QUESTIONS, AND AGREED THAT PERHAPS TWO SUCH GROUPS
NECESSARY, ONE FOR GENERAL ENERGY QUESTION, PARTICULARLY
PETROLEUM, AND ONE ON RESEARCH FOR FUTURE ENERGY
SOURCES. END SUMMARY.

1. US PARTICIPANTS ECONCOM IX COUNTERPART SESSION WITH
MITI WERE: SECRETARY DENT, UNDER SECRETARY LAY OF
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INTERIOR, STR AMBASSADOR EBERLE, AND MR GEALY (INTERIOR)

FROM WASHINGTON; ECONCOM/MIN EDMOND AND COMM/COUNSELOR BELLOCCHI OF EMBASSY. GOJ DELEGATION INCLUDED DIRECTORS GENERAL INTERNATIONAL TRADE, TRADE AND DEVELOPMENT, PUBLIC UTILITIES, HEAVY INDUSTRY, MINERALS BUREAUS AS WELL AS MINISTER NAKSONE.

2. SUMMARY OF TOPICS FOLLOW IN ORDER TAKEN UP AT SESSION:

A. ON IMPORTATION OF NUCLEAR POWER PLANTS, JAPANESE SIDE INSISTED THAT NO GOJ MEASURES NOW RESTRICTED IMPORTING NUCLEAR PLANTS. PRIVATE SECTOR HAD FULL LIBERTY TO SET ITS OWN TERMS. BROUGHT UP THAT OPPOSITION BY PUBLIC HAD RETARDED CONSTRUCTION PLANS, AND THAT POWER COMPANIES FAVORED LOCAL SUPPLIERS BECAUSE CONSTRUCTION TIME SHORTER, PRICES POSSIBLY LOWER, AND OF PRIMARY IMPORTANCE, AFTER SALES SERVICE BETTER. AT ONE POINT, NAKASONE MADE REFERENCE TO REASON THAT EMBASSY INCLINED BELIEVE SIGNIFICANT, I.E. CLOSE RELATIONSHIP, FINANCIAL AND OTHERWISE BETWEEN JAPANESE POWER COMPANIES AND JAPANESE MANUFACTURERS. US SIDE LED BY AMBASSADOR EBERLE TOOK STRONG EXCEPTION TO LEGITIMACY AND ACCURACY THESE "REASONS" AND PRESSED FOR AFFIRMATIVE ACTION. THIRTY-MINUTE DISCUSSION ENDED INCONCLUSIVELY.

B. ON JOINT URANIUM ENRICHMENT PROJECT, GOJ WILLING WORK THROUGH EITHER GOVERNMENT OR PRIVATE SECTOR BUT FELT PRIVATE SECTOR "PROBABLY MORE FLEXIBLE." UNDER SECRETARY LAY SAID ADMINISTRATION CONTINUES TO FAVOR PRIVATE ENTERPRISE UNDERTAKING PROJECT AND THAT DECISION BY ATOMIC ENERGY COMMISSION EXPECTED VERY SHORTLY. IN FOLLOW-UP MEETING WITH VICE MINISTER MOROZUMI, LATTER NOTED THAT JAPANESE ELECTRIC POWER INDUSTRY HAD NOT YET FINALLY DECIDED ON THEIR US PARTNER OR ON QUESTION JOINT PARTICIPATION IN FEASIBILITY STUDY WITH WESTINGHOUSE, BECHTEL, UNION CARBIDE CONSORTIUM.

C. ON GOVERNMENT PROCUREMENT, GOJ SIDE SAID PROCUREMENT PROPOSALS PUBLICIZED IN GOVERNMENT GAZETTE. CONFIDENTIAL

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MINISTRIES WERE ENCOURAGED TO DEAL WITH SMALL BUSINESS BUT THERE WERE NO REGULATIONS TO THIS EFFECT.

D. ON QUESTION OF APPROVAL FOR US INSURANCE COMPANIES OPERATING IN JAPAN RAISED BY SECRETARY DENT, NAKASONE NOTED THAT MATTER WAS UNDER MINISTRY OF FINANCE JURISDICTION, BUT THAT HE WOULD LOOK INTO SITUATION.

E. RE TYUMEN OIL AND YAKUTSK NATURAL GAS PROJECTS, NAKASONE NOTED SOVIET UNION SEEMED TO BE LESS EAGER THAN BEFORE RE FORMER. HE STATED THAT DESPITE NEWSPAPER REPORTS THAT IMPLIED A LESSENER GOJ INTEREST IN TYUMEN PROJECT, GOJ STILL PREPARED APPROVE BOTH PROJECTS IF US FIRMS PARTICIPATE.

F. RE COOPERATION IN RESEARCH AND DEVELOPMENT FOR NEW ENERGY SOURCES, MR LAY, IN FOLLOW-ON CONVERSATION WITH VICE MINISTER MOROZUMI, STATED WE WOULD WELCOME JAPANESE IDEAS RE SPECIFIC AREAS OF COOPERATION AND MOROZUMI AGREED TO PROVIDE US WITH SOME CONCRETE RESEARCH SUGGESTIONS IN PREPARATION FOR AN EXPERTS MEETING OF BOTH COUNTRIES.

G. CONCERNING EXCHANGES OF INFORMATION IN GENERAL FIELD OF ENERGY POLICY THROUGH BILATERAL GOVT-TO-GOVT DISCUSSIONS, NAKASONE EXPRESSED DISAPPOINTMENT THAT US HAD NOT RESPONDED TO HIS PREVIOUS PROPOSAL THAT A JAPAN-US GROUP BE ESTABLISHED TO EXCHANGE INFORMATION AND DISCUSS FULL RANGE OF ENERGY MATTERS. IDEA AS PROPOUNDED BY NAKASONE WOULD BE TO HAVE SMALL GROUP OF EXPERTS MEET OCCASIONALLY WITHOUT FANFARE TO EXCHANGE INFORMATION ON SUCH AREAS AS SIBERIAN DEVELOPMENT, CRUDE OIL PURCHASES, ETC. ECONCOM/MIN NOTED WE REGARDED NEXT STEP AS UP TO JAPAN SINCE US HAD RESPONDED TO GOJ PROPOSAL. US HAD INDICATED THAT WHILE WE FAVOR BILATERAL CONSULTATIONS BETWEEN GOJ AND USG ON ENERGY PROBLEMS WE UNABLE INCLUDE INDUSTRY REPS IN SUCH DISCUSSIONS. UNDER SECRETARY LAY AGREED TO EXAMINE THE POSSIBILITY OF INITIATING SUCH A BILATERAL CONSULTATION FORUM WHEN HE RETURNED TO WASHINGTON. HE POINTED OUT ANY SUCH GROUP OF EXPERTS WOULD HAVE TO AVOID CONFIDENTIAL

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GIVING THE APPEARANCE THAT IT WAS CONFRONTING THE OPEC COUNTRIES, NOT GIVE CAUSE FOR CONCERN TO OTHER CONSUMING COUNTRIES.

IN LATER DISCUSSION, MOROZUMI REITERATED COMMENT THAT NAKASONE HAD MADE IN THE COUNTERPART MEETING TO THE EFFECT THAT JAPAN WISHED ACHIEVE LARGER MEASURE OF COOPERATION WITH US IN BROAD RANGE OF ENERGY MATTERS IN ADDITION TO COOPERATING IN ENERGY R&D. IN RESPONSE TO QUERY, HE COMMENTED THAT HE HAD ALREADY ESTABLISHED BILATERAL INFORMAL CONSULTATION ARRANGEMENTS WITH REPRESENTATIVES OF THE MAJORS, INCLUDING EXXON, SHELL, AND BP.

3. MESSAGE NOT CLEARED WITH WASHINGTON PARTICIPANTS.

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